

SENATE PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR
SENATE BILL 161

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

AN ACT

RELATING TO HEALTH INSURANCE; AMENDING THE MEDICAL INSURANCE
POOL ACT TO PROVIDE FOR PREMIUM ASSISTANCE FOR LOW-INCOME
HOUSEHOLDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 59A-54-19 NMSA 1978 (being Laws 1987,
Chapter 154, Section 19, as amended) is amended to read:

"59A-54-19. RATES--STANDARD RISK RATE.--

A. The pool shall determine a standard risk rate by
actuarially calculating the individual rate that an insurer
would charge for an individual policy with the pool benefits
issued to a person who was a standard risk. Separate schedules
of standard risk rates based on age and other appropriate
demographic characteristics may be used. In determining the
standard risk rate, the pool shall consider the benefits

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underscored material = new
[bracketed material] = delete

1 provided, the standard risk experience and the anticipated
2 expenses for a standard risk for the coverage provided. The
3 rates charged for pool coverage shall be no more than one
4 hundred fifty percent of the standard risk rate for each class
5 of insureds.

6 B. The board shall adopt a low-income premium
7 schedule that provides coverage at lower rates for those
8 persons with an income less than ~~[an amount to be determined by~~
9 ~~the board]~~ four hundred percent of the current federal poverty
10 level guidelines applicable to New Mexico, published by the
11 United States department of health and human services. For
12 individuals with household incomes of one hundred ninety-nine
13 percent of the federal poverty level or lower, the premium
14 reduction shall be seventy-five percent. For individuals with
15 household incomes of two hundred percent to two hundred ninety-
16 nine percent of the federal poverty level, the premium
17 reduction shall be fifty percent. For individuals with
18 household incomes of thee hundred percent to three hundred
19 ninety-nine percent of the federal poverty level, the premium
20 reduction shall be twenty-five percent, with the exception of
21 those individuals in this category who were enrolled and
22 receiving a fifty percent reduction in premium prior to January
23 1, 2009, who shall be phased down to a twenty-five percent
24 premium reduction over a two-year period, provided that they
25 continue to re-qualify annually for a premium reduction in the

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1 three hundred percent to three hundred ninety-nine percent of
2 the federal poverty level category. The board [~~shall adopt as~~
3 ~~many income categories as it finds practical and~~] shall
4 determine income based on the preceding taxable year. No
5 person shall be eligible for a low-income premium reduction if
6 that person's premium is paid by a third party who is not a
7 family member.

8 C. All rates and rate schedules shall be submitted
9 to the superintendent for approval."

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